

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

IN RE: P3 PURE, LLC, DEBTOR.	§ § § § §	CASE NO: 24-10532-smr (Chapter 11, Subchapter V)
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DEBTOR’S SUBCHAPTER V STATUS REPORT PER 11 U.S.C. § 1188(c)

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, P3 Pure, LLC, Debtor and Debtor-in-Possession in the above-styled and numbered Chapter 11 case (the “Debtor”) and, in accordance with the provisions of 11 U.S.C. §1188(c), files this *Debtor’s Subchapter V Status Report* (the “Report”) and would respectfully show the Court as follows:

1. Nature of Business: Debtor produces: natural deodorants, arm pit pastes, baby powders, face oils, lip balms, tooth paste powders, and breath fresheners.

2. Location: Debtor is a Florida limited liability company with its principal place of business in Austin, Texas.

3. Ownership Structure: Amy Perez is the founder and sole owner of Debtor.

4. Type and Number of Employees: Debtor has one (1) employee which is the founder and CEO, Amy Perez.

5. Primary Cause of the Necessity to File Bankruptcy: Debtor first encountered financial hurdles in 2014, when it faced trademark infringement and unfair competition claims for its use of the "Primal" name. Thereafter, in 2020, Debtor's business fell victim to the global COVID-19 pandemic. Debtor suffered significant revenue losses, loss of staff, rent increases, supply chain disruptions, and inflationary pressures.

Debtor attempted a number of cost-saving measures, including, but not limited to, moving manufacturing to an external facility and drastically reducing the number of people it employed. Now, Debtor only relies on a number of contractors to perform its day-to-day operations.

The financial pressures persisted, nonetheless, and Debtor required funding to continue to operate. Debtor had no other option but to enter into a high-interest loan with Montgomery Capital Partners III, LP (“MCA”). Thereafter, Debtor also secured a loan from the small Business Administration (“SBA”), which is Debtor's second secured lender. Ultimately, Debtor used a portion of these funds to pay for the MCA Loan and to fund its operation, but Debtor was unable to comply with its obligations under the MCA Loan which necessitated this bankruptcy filing.

6. Filing of Required Documents and Compliance Matters:

- a. Reviewed Local Sub V Procedures and Mandatory Forms: Yes ☒ No ☐
- b. All Schedules and Statements filed: Yes ☒ No ☐
- c. Bankruptcy Rule 2015.3 documents filed: Yes ☒ No ☐
- d. Current on all required tax returns: Yes ☐ No ☒
- e. Required insurance in place and provided to U.S. Trustee: Yes ☒ No ☐
- f. Notice of Budget or Cash Collateral Motion filed: Yes ☒ No ☐
- g. Commenced payment of Sub V Trustee deposit: Yes ☒ No ☐
- h. **If you answered “No” to any subsection, briefly explain why the debtor is not in compliance and the date by which you anticipate resolution of the issue:** Debtor is working towards compiling all required documents for its tax filing, and has procured an extension for the filing of its 2023 taxes.

7. General Information about the Nature of Secured, Priority and Unsecured

Debt:

- a. Secured Debt estimated total: \$3,007,863.00
- b. Priority Debt estimated total: \$9,158.00
- c. General Unsecured estimated total: \$381,234.00

8. Status of Employment of Professionals: Debtor has filed Application to Employ Akerman LLP, as counsel, under docket no. 48, and Application to Employ HMP Advisory Holdings, LLC, as financial advisor, under docket no. 49.

9. Status of Discussions with Subchapter V Trustee: Debtor confers regularly with the Subchapter V, Trustee regarding case administration. Debtor has also discussed Trustee’s fee structure.

10. Status of Any Cash Collateral, Adequate Protection, or Stay Relief Issues:
There is currently an interim cash collateral order in place. A final hearing regarding Debtor’s motion to use cash collateral is scheduled for July 10, 2024. On June 14, 2024, Debtor’s secured creditor filed, Montgomery Capital Partners III, LP’s Motion for Relief from the Automatic Stay, and Debtor’s opposition is due July 2, 2024.

11. Goals of Reorganization of the Business:

Debtor seeks to obtain additional financing and to continue to operate its business as a going concern.

12. Financial Projections Summary: Attached hereto as exhibit A are Debtor's current financial projections.

13. Efforts Taken to Date and Status of Achieving Consensual Plan Confirmation: Debtor has focused its efforts on seeking out investors and additional financing.

14. Any Other Pertinent Information that Should be Brought to the Court's Attention:

Dated: June 27, 2024

Respectfully submitted,

AKERMAN LLP

/s/ R. Adam Swick

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*PROPOSED ATTORNEYS FOR DEBTOR AND
DEBTOR-IN-POSSESSION*

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was filed electronically via the Court's CM/ECF system on June 27, 2024, thus effecting service on all parties requesting service including the parties listed below.

<i>United States Trustee</i>	<i>Subchapter V Trustee</i>
United States Trustee 903 San Jacinto Blvd., #230 Austin, TX 78701 Email: ustpreion07.au.ecf@usdoj.gov	Eric Terry Eric Terry Law PLLC 3511 Broadway San Antonio, TX 78209 Email: eric@ericterryllaw.com

/s/ R. Adam Swick

R. Adam Swick